

Lead Abatement Incentive Compensation

“Incentive Compensation. Incentive compensation to employees based on cost reduction, or efficient performance, suggestion awards, safety award, etc., are allowable to the extent that the overall compensation is determined to be reasonable and such costs are paid or accrued pursuant to an agreement entered into in good faith between the organization and the employees before the services were rendered, or pursuant to an established plan followed by the organizations consistently as to imply, in effect, an agreement to make such payment” (OMB circular A-122, pg 150).

This agreement is between the Milwaukee Health Department and its participating contractors to reduce inspection and laboratory costs and to encourage contracting excellence in a number of ways.

1. Successful dust wipe clearance results (0-3% failure rate),
2. Excellence in job performance with an absence of emergency orders or citations
3. Number of contracts involving lead poisoned children
4. Cumulative change orders of less than 3% of total contract dollars awarded per quarter.

A minimum of 6 completed units per quarter is required for participation (a duplex counts for 2 units).

Upon HUD approval, the quarterly incentive allocation will be \$2,250 and will be awarded to the top two contractors with the highest number of points. In the event of a tie the money will be split equally among the top performers.

- The first category of excellence in clearance results (0-3%) will be weighted at 35%. All contractors that have a failure rate fewer than 3% per quarter will be awarded 35 points.
- The second category of job performance will be weighted at 30%. All contractors that remain violation free each quarter will receive 30 points.
- The category for the number of properties with lead poisoned children will be weighted at 20% (and will include both direct admin and contracts obtained on your own) 2 projects per quarter are necessary to earn 20 points; and the contractor(s) with most EBLs, will be awarded an additional 10 points for a total of 30 points.
- 15 points will be awarded to contractors with cumulative change orders of less than 3% of total contract dollars.
- 10 points will be awarded for on-time readiness for clearance for all units in the quarter (If the inspector must return, you are not ready).
- 5 points will be awarded for letters of kudos from owners or tenants sent to MHD.
- 5 points will be awarded for clearing more than 12 units per quarter and 10 points for clearing more than 18 units per quarter

- The highest possible number of points is 135.
- Points are only awarded if the minimum threshold is met.
- 85 are the minimum number of points that must be earned for claiming the allocation.
- If the money is not awarded for a quarter it will be added to the next quarter earnings.

I (name), _____ agree to participate in the Milwaukee Health Department's Incentive Compensation Program.

Signature _____ Date _____

Company name _____

This proposal is subject to acceptance by HUD. HUD, MHD, or participating contractors may initiate rule changes however; MHD is the designated agent responsible for rule changes. Proposed Changes will be put into writing and communicated to participants with a 30-day hearing. Objections must be submitted to the Lead Hazard Prevention Manager in writing. If there is no response to a rule change it will take effect the following quarter. If objections to a rule change are documented, MHD will reevaluate the rule change and make a final rule within 30 days of the objection.

REF: LEAD ABATEMENT INCENTIVE COMPENSATION (REV 6-18-2008)